



February 13, 2004

Budget Committee Hears Good Economic Outlook From Treasury Secretary Snow

WASHINGTON – Treasury Secretary John Snow gave testimony on a positive economic overview today during a hearing of the Senate Budget Committee.

“The economy is in a tremendously better and different posture today than a year ago,” Snow told the Committee. “Today everyone acknowledges the economy is on a strong growth path. If we can sustain that we’re going to create a lot of jobs.”

Last year, the Budget Committee worked to write and pass a budget that included a Jobs and Growth Tax Relief Reconciliation Act, providing much-needed economic stimulus.

“Without the tax bill last year, the economy wouldn’t be where it is today,” Snow said.

Budget Committee Chairman Don Nickles (R-OK) said, “Mr. Secretary, a year ago you presented us a challenge to grow the economy and we followed your outline and we were successful.”

Added Senator Wayne Allard (R-CO), “I don’t think anyone can deny that the economy is in recovery.”

Snow said the President’s budget request for the coming year reflects four priorities: winning the war on terrorism, protecting the homeland, keeping the economy on a path of growth and job creation, and getting serious about cutting deficits.

“These deficits are large, they are unwelcome, they are unacceptable, and they must be brought in line,” Snow told the Committee. “They are understandable, too, in the context that the President inherited a recession, made worse by corporate scandals, a meltdown of the stock market, 9-11, and the war on terror.”

Nickles agreed, adding, "We have a big challenge now with these deficits and I want to do as much as we can to get our fiscal house in order."

The Chairman also called for further investigation into the reported \$250 billion in uncollected receipts that support evidence of unfair treatment of the current tax system.

"We have a lot of problems on the spending side of the tax code," Nickles said, "I hope we can discover some other things that are really an abuse to the system and close them down."

The Senate Budget Committee has heard testimony over the past three weeks from the Congressional Budget Office, the Office of Management and Budget, and HHS Secretary Tommy Thompson. The Committee's next hearing will be on Wednesday, February 25 with Homeland Security Secretary Tom Ridge on the President's FY 2005 Budget Proposal.